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PATENT



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of : Pirillo
For: : Methods and Apparatus for Electronic Book
Distribution
Serial No. : 09/481,196
Filed : 01/11/2000
Group : 3625
Examiner : Chang, Sabrina A.

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GROUP 3600

Durham, North Carolina
February 4, 2003

COVER SHEET FOR
APPELLANT'S BRIEF ON APPEAL

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TABLE OF CONTENTS

1.	The Real Party In Interest	1
2.	Related Appeals and Interferences.....	1
3.	Status of the Claims	2
4.	Status of Amendments	2
5.	Summary of the Invention	2
6.	The Issue For Review	6
7.	Grouping of Claims.....	6
8.	Argument	8
A.	The Section 103 Rejections	9
B.	The Examiner's Findings of Obviousness are Also Contrary to Law of the Federal Circuit.	18
9.	Conclusion	21
	Appendix (Claims Under Appeal)	22

TABLE OF AUTHORITIES

<i>Ex parte Levy</i> , 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990)	13
<u>Uniroyal Inc. v. Ludkin Riley Corp.</u> ,	
5 U.S.P.Q. 2d 1434 (Fed. Cir. 1988)	19
5 U.S.P.Q.303, 312, (Fed. Cir. 1983).....	19
<u>Interconnect Planning Corp. v. Feil</u> , 227 U.S.P.Q.	
at 543, 535 (Fed. Cir. 1985)	19
227 U.S.P.Q. at 551,	19
<u>In re Laskowski</u> , 10 U.S.P.Q. 2d 1397,	
1398 (Fed. Cir. 1989), quoting <u>In re Gorgon</u> ,	
221 U.S.P.Q. 1125, 1127 (Fed. Cir. 1984).....	19
10 U.S.P.Q. 2d, 1397	19
<u>Akzo N.V. v. International Trade Commission</u> ,	
1 U.S.P.Q.2d 1241, 1246 (Fed.Cir. 1986),	
<u>cert. den.</u> , 482, U.S. 909 (1987)	19
<u>W.L.Gore Associates, Inc.</u>	
220 U.S.P.Q. at 311	19
<u>Smithkline Diagnostics Inc. v. Helena Laboratories Corp.</u>	
8 U.S.P.Q. 2d 1468, 1475 (Fed.Cir. 1988).....	19
<u>In re Regal</u> , 188 U.S.P.Q. 136, 139 (C.C.P.A. 1975)	
citing <u>In re Stemniski</u> , 170 U.S.P.Q. 343 (C.C.P.A. 1971).....	20

STATUTES

35 U.S.C. § 103.....	2, 6, 7, 8, 9, 16, 19
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MISCELLANEOUS

M.P.E.P. § 706.02	8
M.P.E.P. § 2112	13

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MAIL STOP APPEAL BRIEF – PATENTS

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

APPELLANT'S BRIEF

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Sir:

1. The Real Party In Interest

The real party in interest is the assignee, NCR Corporation.

2. Related Appeals and Interferences

None.

3. Status of the Claims

This is an appeal from the September 16, 2003 final rejection of claims 1, 2, 5-10, 13-18, and 21-24, all of the pending claims. Claims 1, 2, 5-8, 10, 13-18, and 21-24 were rejected under 35 U.S.C. §103(a) as unpatentable over Heutschi U.S. Patent No. 6,335,678 ("Heutschi"). Claim 9 was rejected under 35 U.S.C §103(a) as unpatentable over Heutschi in view of Sean McManus, *The Virtual Record Co.* (Melody Maker, July 10, 1999) ("McManus"). All of the pending claims are identified for this appeal.

4. Status of Amendments

The claims stand as last amended on July 1, 2003. In an Amendment After Final filed November 13, 2003, claim 13 was amended to depend on a previously presented independent claim instead of a canceled claim. No indication was provided in the Advisory Action mailed November 28, 2003 as to whether amended claim 13 would be entered on appeal. Since the amendment to claim 13 was to place claim 13 in better form for consideration on this appeal, it is requested that claim 13 which was amended in the Amendment After Final be entered and considered.

5. Summary of the Invention

The advent of electronic book readers and the widespread use of personal digital assistants (PDAs) have increased the convenience of reading electronic books and have made it more likely that electronic books will be widely accepted in the marketplace. In addition, the portability of these devices and their increased memory capacity make it attractive to travelers to carry electronic books rather than a collection of conventional paper books.

As described in the Background of the Invention on page 2 of the present application, a widespread and convenient distribution system would greatly increase customer acceptance of

electronic books. Customer acceptance will be enhanced if a system can be provided in a place where a customer is likely to frequently go, such as a supermarket, or where having such a system readily available would increase the likelihood and convenience of impulse purchases, such as an airport gift shop or hotel lobby. Acceptance will also be enhanced if the system allows easy access to a wide variety of titles in a single location, with provisions to allow browsing or searching of titles, or other approaches to finding books matching customer interests. Typically, on-line marketing systems which tailor consumers' choices to consumers' preferences base their offered consumer choices on past purchasing history which is stored in a central repository. By relying solely on customer information stored in the central repository, consumers' tailored choices are limited. For example, such systems have not been able to consider whether the consumer has actually consumed the product or details of how that product was consumed as discussed further below.

The present invention relates generally to electronic book distribution and more particularly to advantageous aspects of methods and systems for delivering electronic books to a contact device such as an electronic book which contains customer specific information. One information distribution system according to the present invention includes a plurality of customer self-service terminals adapted to transfer data to a portable reader or alternatively to a smart card. Referring to Fig. 1 of the drawings, a terminal 100 includes a point of sale terminal for processing financial information, as well as information processing resources for retrieving electronic books and other information and transferring the information to portable readers or smart cards. Referring to Fig. 2, the system 200 provides servers for supporting a plurality of self-service terminals, such as terminal 100, by providing content for distribution, advertising

and customer interface selections, as well as for the collection and processing of customer information collected from the self-service terminals.

Each terminal collects customer information based on customer selections made at the terminal or information previously stored in a portable reader or smart card. For example, as described in the Detailed Description on page 7, lines 14-17 of the present application, information previously stored includes direct customer entries or information gathered from an analysis of customer reading and purchasing habits. The customer information is transferred to a central repository and processed for merchandising or customer incentives for purchasing electronic media. When a customer initiates a session at a self-service terminal, the terminal retrieves customer information from the central repository, as well as, or alternatively from the reader or smart card, and uses the customer information to develop menus and offer suggestions. Customer inputs are used to make selections and conduct transactions, and to select from various help and conference options. The terminal may also offer incentives based on retrieved customer information and customer inputs.

In one embodiment, a self-service terminal for allowing customer download of electronic media is claimed. By way of example, claim 1 of the present invention reads as follows:

1. A self-service terminal for allowing customer download of electronic media comprising:

a customer information interface for receiving customer information from a customer contact device and a central repository including purchase and usage patterns;

a customer input interface including a display for communicating information to a customer describing available options and choices, the customer input interface allowing input from a customer, the customer input interface allowing a customer to select electronic media for purchase;

a data acquisition interface for acquiring customer selected electronic media for transfer to the customer;

a data transfer interface for transferring customer selected electronic media to the customer contact device; and

a processor for receiving the customer information, using the customer information to identify customer preferences, generating customer information displays based on customer preferences and purchase and usage patterns, generating customer selectable options based on the received customer information, receiving customer selections and processing financial transactions and data transfers based on the customer selections.

Returning to Fig. 1 in greater detail, the self-service terminal 100 includes a point-of-sale (POS) terminal 102 suitably mounted to a pedestal 118. The POS terminal 102 includes an LCD panel 104 which is suitably a touch screen panel for information entry by the customer. The POS terminal 102 may also include a magnetic stripe reader 105, a smart card reader 108, a bar code scanner 110, a loudspeaker 112, and may also suitably include a camera 114 and a microphone 116 for allowing remote communication and assistance to a customer operating the terminal 100. The pedestal 118 houses a downloading cradle 120 and a CD writer 122. The pedestal 118 also houses a printer 124 which may print transaction information, available title lists, or other information which the customer may wish to receive on paper. The pedestal 118 may contain advertising signs such as sign 126. Page 5, line 17 – page 6, line 5.

In order to download a book, in this exemplary embodiment, a customer places an electronic book reader 128 into the cradle 120. The terminal 102 is activated and presents a menu of choices to the customer through the LCD panel 104. The customer makes the necessary selections and tenders payment by passing or swiping a credit or debit card through the magnetic stripe reader 106. Upon proper selection and tender of payment, the terminal 100 retrieves the selected title and transfers it to the reader 128. The terminal 100 may include books stored locally on appropriate storage media, or may retrieve books from a remote server for transfer. Page 6, lines 6-12.

The terminal 100 is also capable of reading customer information from the reader 128 or the smart card 129. Information previously stored, either from direct customer entries or from analysis of customer reading and purchase habits, may be extracted from the reader 128 or the smart card 129 by the terminal 100. The terminal 100 either may store the customer information or may also relay it to a central repository. In either event, the customer information may be processed and used for merchandising or as part of a customer incentive program or some other program designed to promote customer loyalty. Page 7, lines 14-20.

6. The Issue For Review

The issues for review are whether claims 1, 2, 5-8, 10, 13-18, and 21-24 were properly rejected under 35 U.S.C. § 103(a) based on Heutschi and whether claim 9 was properly rejected under 35 U.S.C. §103(a) based on Heutschi and McManus. In other words, were the standards set forth in M.P.E.P § 706.02 for 35 U.S.C. §103(a) properly applied in the present case?

7. Grouping of Claims

The rejected claims do not stand or fall together. The claims should initially be considered in Groups I-III based upon the differences between the independent claims: namely, Group I, claims 1, 2, 5-9, and 22-24; Group II, claims 10 and 13-17; and Group III, claims 18 and 21.

In this regard, claim 1 addresses a “self-service terminal for allowing customer download of electronic media ...” comprising “a customer information interface for receiving customer information from a customer contact device and a central repository including purchase and usage patterns” and a processor for “generating customer information displays based on customer preferences and purchase and usage patterns” and “generating customer selectable options based on the received customer information.” Claim 10 addresses a “system for

distribution of electronic media ...” comprising a distribution terminal, a terminal support manager, and a terminal data manager. Claim 18 addresses a “method of electronic media distribution” comprising specific “arousing”, “retrieving”, “generating”, “displaying”, “selecting”, and “receiving” steps.

35 U.S.C. §103(a), which governs obviousness, indicates that “differences between the subject matter sought to be patented and the prior art” are to be assessed based upon “the subject matter as a whole.” Under this analysis, the entirety of each claim must be considered.

Additionally, the dependent claims address a number of further combinations and limitations that do not simply rise or fall with the independent claims. The following additional subject matter is noted: a terminal wherein the “data transfer interface includes a download cradle” (claim 2), a terminal wherein the “download cradle is adapted to read customer information from the electronic book reader” (claim 5), a terminal wherein the “customer information interface further includes a smart card reading and writing device” and wherein the data transfer interface also “includes the smart card reading and writing device” (claim 6), a terminal wherein the processor analyzes “customer information to determine customer preferences and to use the customer preferences to develop purchase suggestions based on the customer preferences” (claim 7), a terminal which is “operative to cryptoprocess data for delivery to the electronic book (claim 8), a terminal wherein the “data transfer interface includes a compact disk recorder for recording software on a recordable compact disk” (claim 9), a system wherein the distribution terminal “is operative to retrieve customer contact information from the contact device and transmit the customer information to the terminal support manager” (claim 13), “to accept customer inputs of customer contact information and transmit the customer information to the terminal support manager” (claim 14), “to cryptoprocess media for delivery to

the contact devices” (claim 15), the system further including an “advertising server” which interoperates with the terminal support manager (claim 16), the system wherein the terminal is operative to connect to a network adapted to provide remote audio and video communication (claim 17), a method of electronic media distribution further including the step of “retrieving advertising content” in the form of a “java applet” (claim 21), a terminal further comprising a loudspeaker and a microphone for conferencing the customer with a remote help desk operator (claim 22), the terminal in which the customer input interface comprises a camera for capturing video information (claim 23), and the terminal in which the electronic media comprises an “electronic book” (claim 24).

8. Argument

The rejections under Section 103 did not follow MPEP § 706.02 which states at page 700-21:

in a rejection based on 35 U.S.C. 103, the reference teachings must somehow be modified to meet the claims. The modification must be one which would have been obvious to one of ordinary skill in the art at the time the invention was made.

In contrast with this clear statement, the Official Action looks to a single prior art patent addressing a different problem in a different context. The art relied upon does not teach the presently claimed invention. Furthermore, it fails to recognize the problems addressed and advantageously solved by the present invention much less suggest the present solution.

Nonetheless, the Official Action suggests the present claims are obvious therefrom. This finding should be reversed.

A. The Section 103 Rejections

The art rejections are not supported by the relied upon art. All of the rejections are based on Heutschi or a combination of Heutschi and McManus. 35 U.S.C. § 103, which governs obviousness, indicates that “differences between the subject matter sought to be patented and the prior art” are to be assessed based upon “the subject matter as a whole.” Analyzing the entirety of each claim, the rejections under 35 U.S.C. § 103 are not supported by the relied upon art as addressed further below. Only after an analysis of the individual references has been made can it then be considered whether it is fair to combine teachings. However, as addressed further below, fairness requires an analysis of failure of others, the lack of recognition of the problem, and the avoidance of the improper hindsight reconstruction of the present invention. Such an analysis should consider whether the modifications are actually suggested by the references rather than assuming they are obvious. The rejections made here under 35 U.S.C. § 103 either rely on one reference in combination with an inherency argument or, in the case of claim 9, pick and choose elements from two separate references, neither of which presents any motivation for making the suggested combination. This approach constitutes impermissible hindsight and must be avoided. In either case, when considering each claim as a whole, the combined teachings do not render the present claims obvious. Thus, the obviousness rejections on appeal should be reversed.

Turning to the references relied upon, Heutschi is entitled “Electronic Device, Preferably an Electronic Book.” The disclosure of Heutschi only peripherally describes an electronic kiosk with even less disclosure of an electronic media distribution system. Heutschi’s Fig. 2 illustrates a block diagram of a data transmission system which includes a touch screen sensor, credit card reader, money introduction device, data selector, and other various components typical of a general kiosk. The corresponding disclosure at col. 3, line 57-col. 4, line 5 upon which the

Official Action relies as standing for a “data interface for acquiring and transferring data from the device” is sparse. The interfaces of the data transmission system are simply described as “a plug, a cable or a modulated electromagnetic wave.” Heutschi, col. 3, lines 62-63.

Unlike Heutschi, the present invention utilizes a customer’s purchase and usage patterns to generate customer information displays and to generate selectable electronic purchase options of electronic media based on these patterns. The customer information is gathered from both a central repository and a customer contact device such as an electronic book, smart card, or the like. The present invention advantageously combines information stored at the device with that which is stored at a central repository. For example, a customer’s purchase history may be centrally stored while the reading habits of the user may be stored on the customer contact device. By employing “a customer information interface for receiving customer information from a customer contact device and a central repository including purchase and usage patterns” and “a processor for receiving the customer information,” as in claim 1, the present invention can advantageously utilize usage patterns such as reading habits as discussed further below. The present invention can combine information from two sources to offer the customer selectable options for purchase with the options being based on consumption of previously purchased materials rather than simply on previously purchased materials. For example, more purchase selections may be presented to an avid reader than an average reader. Other examples include basing the purchase selections on usage patterns such as books actually read by the reader, on books purchased by the reader but not yet read, on the number of books by a particular author which have been read, or on the number of times certain books have been reread. The common thread running through the previous examples is that all the purchase selections are based on

exemplary customer usage patterns which may be stored in the contact device, accessed with the customer information interface, and processed by the processor.

Another example of utilizing other information stored on the contact device includes combining information concerning customer loyalty programs from non-electronic media purchases stored on a smart card with information concerning electronic media purchases stored at a central repository to provide the electronic media distributor additional marketing options between overlapping but distinct markets. For example, a recent purchaser of a Lord of the Rings DVD, purchased at a brick and mortar store such as Blockbuster with a smart card, may be informed that the Lord of the Rings trilogy or other fantasy books are on sale and available for download. The self service terminal, as claimed in claim 1, recites

A self-service terminal for allowing customer download of electronic media comprising:

a customer information interface for receiving customer information from a customer contact device and a central repository including purchase and usage patterns;

a customer input interface including a display for communicating information to a customer describing available options and choices, the customer input interface allowing input from a customer, the customer input interface allowing a customer to select electronic media for purchase;

a data acquisition interface for acquiring customer selected electronic media for transfer to the customer;

a data transfer interface for transferring customer selected electronic media to the customer contact device; and

a processor for receiving the customer information, using the customer information to identify customer preferences, generating customer information displays based on customer preferences and purchase and usage patterns, generating customer selectable options based on the received customer information, receiving customer selections and processing financial transactions and data transfers based on the customer selections. (emphasis added)

Heutschi does not teach and does not suggest a customer information interface to receive customer information from both a customer contact device and a central repository which

includes purchase and usage patterns as claimed. The Advisory Action suggests that a portable device is capable of storing and displaying data to access an automatic distributor to purchase and download digital media. At Heutschi at col. 1, line 56 upon which the Advisory Action relies, the cited text describes only the storing of purchased content device such as an electronic magazine, newspaper, or electronic book on the portable. More importantly, there is no indication in the cited text or elsewhere in Heutschi that usage patterns from a customer contact device are utilized to generate customer information displays. Heutschi does not teach and does not suggest a processor for “using the customer information to identify customer preferences, generating customer information displays based on customer preferences and purchase and usage patterns, generating customer selectable options based on the received customer information, receiving customer selections and processing financial transactions and data transfers based on the customer selections” where the customer information may be received from both customer contact device and a central repository.

With respect to method claim 18, for example, which recites “arousing a self service terminal from an idle state upon presentation of a customer contact device; retrieving customer information from a central repository and the contact device; generating customer tailored selectable options based on the retrieved customer information; displaying a choice of electronic media for purchase; selecting the electronic media for purchase; and receiving the customer selected electronic media on to the contact device from the self service terminal.” The features advantageously addressed by the present invention and claimed in claims 1 and 18 are not taught and are not suggested by Heutschi. Further, it would not be obvious to provide a self service terminal which provides electronic media for purchase and customized selectable options

according to the customer information stored on both the customer contact device and the central repository using Heutschi's system.

The Official Action cites Fig. 9 and col. 5, lines 9-12 of Heutschi as standing for the specific features of using customer information stored on a customer contact device to generate customer information displays and customer selectable options as claimed. Fig. 9 and col. 5, lines 9-12 of Heutschi simply disclose transmitting an electronic shopping catalogue to an electronic book based on the requirements and shopping habits of the user. By contrast, the present invention provides for the generating customer information displays based on customer preferences and purchase and usage patterns and generating customer selectable options at the kiosk based in part on received customer information stored on a customer contact device. The Official Action also states that Heutschi "inherently compris[es] the identification of the user (receiving customer information, based on customer preferences and purchase and usage patterns, generating customer information display, or advertisements)." This inherency argument is not supported by Heutschi. According to MPEP §2112, "[t]o establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.' "

The MPEP continues "[i]n relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art," citing *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis in original). The Examiner has not met this burden here. As described above, Heutschi merely

mentions downloading a targeted electronic shopping catalogue and leaves any structure to do the same to the reader's imagination. Heutshci provides no indication that the targeted electronic shopping catalogue is anything other than a catalogue tailored to the customer's previous purchases stored in a network. Another possibility is that the catalogue might simply be forwarded based upon a singly shopping session in which a customer browses through a number of titles and then selects one or more titles. A further possibility is that a user selects a catalogue of interest from a list so that Heutschi meets the customer's "requirements." In short, Heutschi could work in many ways not meeting the present claims and thus the inherency suggestion is inappropriate.

In contrast to Heutschi, claim 1 of the present invention requires "receiving the customer information, using the customer information to identify customer preferences, generating customer information displays based on customer preferences and purchase and usage patterns, generating customer selectable options based on the received customer information...." Among its several failings, an electronic catalogue downloaded into an electronic book as taught by Heutshi does not generate displays **on the display of a self-service terminal or generate customer selectable options displayed on the display of the self-service terminal** as presently claimed. Simply put, the presently claimed approach is not taught and is not made obvious by Heutschi.

Fig. 1 of Heutschi purportedly illustrates a block diagram of a "total solution with interfaces to the internet." The corresponding disclosure describes the book store as having "an accounting system" for charging for purchased media and a "data bank" for storing the electronic media. Heutschi, col. 3, lines 42-43. The disclosure of the "total solution" is limited to col. 3, lines 38-56 and Fig. 1.

In contrast to Heutschi, the present invention addresses an entire distribution system including a distribution terminal, a terminal support manager, a terminal data manager to address the system for delivering electronic media for purchase to a distribution terminal. The Advisory Action asserted that the lack of these terms in Heutschi does not preclude its qualification as prior art. It is not the terms alone upon which Applicant relies. The Heutshci disclosure of the “total solution” in his Fig. 1 does not teach and does not suggest the existence or the roles of the distribution terminal, the terminal support manager, or the terminal data manager. The terminal support manager of the present invention advantageously stores customer information such as preferences and purchasing history and provides this information to the distribution terminal where it combines the customer contact information retrieved from the contact device with the customer information to generate tailored selectable options for the user.

More particularly, claim 10 reads as follows:

A system for distribution of electronic media comprising:
a distribution terminal adapted to establish contact with a customer using a customer contact device and to transfer the customer selected electronic media to the customer contact device, the distribution terminal adapted to receive customer contact information from the customer contact device;
a terminal support manager for storing customer information including customer characteristics and preferences and providing the customer information to the distribution terminal for use in developing customer tailored selectable options and suggestions based on customer information and customer contact information; and
a terminal data manager for storing and retrieving electronic media to be distributed to the customer and for transferring customer selected electronic media to the terminal as needed;
wherein the customer selects electronic media for purchase, the distribution station receiving the selected electronic media from the terminal data manager as needed, and the distribution station transferring the customer selected electronic media to the customer contact device. (emphasis added)

Heutschi does not teach and does not suggest a distribution system as claimed. Heutschi does not teach and does not suggest a terminal support manager “for storing customer

information including customer characteristics and preferences and providing the customer information to the terminal for use in developing customer tailored selectable options and suggestions based on customer information and customer contact information” as claimed. Cleary, the relied upon art does not teach and does not render obvious such a technique. Thus, independent claims 1, 10, and 18 are allowable over the relied upon art.

Dependent claim 9 was rejected under 35 U.S.C. §103(a) based on Heutschi in view of McManus. McManus states that a system called Cerberus “takes the concept [creating compilation albums online] one stage further by selling through burn-while-you-wait in-store kiosks, where customers can make a compilation on the spot and leave the shop with the finished CD.” McManus, page 1, lines 43-44. No further discussion of the kiosk to accomplish this end is provided. Even when combining Heutschi and McManus as suggested, the combination does not teach and does not suggest all the limitations of claim 9.

Claims 2, 5-9, 22-24 depend directly or indirectly from claim 1, incorporating all of the limitations thereof and adding further limitations thereto. Claims 13-17 depend directly or indirectly from claim 10, incorporating all of the limitations thereof and adding further limitations thereto. Claim 21 depends directly or indirectly from claim 18, incorporating all of the limitations thereof and adding further limitations thereto. These dependent claims are allowable based upon their dependence on allowable independent claims. In addition, the dependent claims address a number of combinations of limitations not found in the applied references.

Claim 2 addresses a download cradle adapted to connect with an electronic book reader to provide a connection for the transfer of information between the terminal and the electronic book reader. Claim 5 additionally addresses adapting the download cradle to read customer

information from the electronic book reader. Heutschi does not teach and does not make obvious such a download cradle. Claim 6 addresses refinement of the customer information interface which receives both customer information from a customer contact device and a central repository to include a smart card reading and writing device. Claim 7 requires the processor to retrieve and analyze the customer information received from both a customer contact device and a central repository to determine customer preferences to develop purchase suggestions. Claim 8 addresses a cryptoprocess feature for delivering the electronic book reader. Claim 13 addresses customer contact information being retrieved by the distribution terminal and transmitting the customer information to the terminal support manager. Claim 14 addresses accepting customer inputs of customer contact information by the distribution terminal and transmitting the customer information to the terminal support manager. Claim 15 addresses cryptoprocessing media by the terminal. Claim 16 addresses adding an advertising server to supply advertising based on the customer information and customer contact information to the terminal. Thus, advertising can be targeted based on customer usage gleaned from the contact device. Claim 17 addresses connecting the terminal to a network adapter to provide remote audio and video communication. Claim 21 addresses utilizing a java applet to deliver customer selectable options based on customer information stored at a central repository and the contact device. Claim 22 addresses adding a loudspeaker and microphone for conferencing the customer with a remote help desk operator. Claim 23 addresses adding a camera for capturing video information of the customer. Claim 25 addresses the electronic media as being an electronic book.

With regard to dependent claim 21, the Official Action asserts that “the use [of] JAVA or any other more efficient means of programming to present its advertisements/promotions to the user does not have an unpredictable result.”[sic] Applicant has previously requested clarification

and continues to request the statutory basis of the “unpredictable result” standard upon which the Official Action relies in its rejection of this claim. There is no such legal requirement in the statutes governing anticipation and obviousness.

As claims 2, 5-8, 13-17, 22-24 were rejected en masse with claim 1 without any supporting rational for the rejection of claims 2, 5-8, 13-17, 22-24, it is somewhat difficult to directly rebut the reasoning of the Examiner. Nonetheless, it is clear that the relied upon references do not render obvious utilizing customer information such as usage pattern stored on a contact device as claimed.

Such a rejection is not in accordance with M.P.E.P. § 706.02(j) which requires that the Examiner set out “an explanation why one of ordinary skill in the art at the time the invention was made would have been motivated to make the proposed modification.” (emphasis added)

To sum up, Heutschi and McMannus do not show and do not suggest an apparatus, system, or method for downloading electronic media based on selectable options tailored to the user where the selectable options are based on customer information stored on a contact device as presently claimed. Nothing in the cited references indicates a recognition of the problems addressed by the present invention. Further, nothing in the cited references indicates a system which would solve the problems addressed by the present invention. The claims of the present invention are not taught, are not inherent, and are not obvious in light of the art relied upon.

B. The Examiner’s Findings of Obviousness are
 Also Contrary to Law of the Federal Circuit

As shown above, the invention claimed is not suggested by the relied upon prior art. The references cited by the Examiner, if anything, teach away from the present invention. It is only in hindsight, after seeing the claimed invention, that the Examiner could combine the references

as the Examiner has done. This approach is improper under the law of the Federal Circuit, which has stated that “[w]hen prior art references require selective combination by the Court to render obvious a subsequent invention, there must be some reason for the combination other than the hindsight gleaned from the invention itself.” Uniroyal, Inc. v. Rudkin-Wiley Corp., 5 U.S.P.Q. 2d 1434, 1438 (Fed. Cir. 1988), cert. den., 102 L.Ed. 2d 51 (1988); quoting Interconnect Planning Corp. v. Feil, 227 U.S.P.Q. 543, 535 (Fed. Cir. 1985). Furthermore, “[i]t is impermissible to use the claims as a frame and the prior art references as a mosaic to piece together a facsimile of the claimed invention.” Uniroyal Inc. v. Rudkin-Wiley Corp., 5 U.S.P.Q. 303, 312 (Fed. Cir. 1983), cert. den., 469 U.S. 851 (1984). Similarly, “[t]he mere fact that the prior art could be so modified would not have made the modification obvious unless the prior art suggested the desirability of the modification.” In re Laskowski, 10 U.S.P.Q. 2d 1397, 1398 (Fed. Cir. 1989), quoting In re Gorgon, 221 U.S.P.Q. 1125, 1127 (Fed. Cir. 1984). No such suggestion is found here.

In addition, the Examiner does not appear to have considered “where the references diverge and teach away from the claimed invention”, Akzo N.V. v. International Trade Commission, 1 U.S.P.Q. 2d 1241, 1246 (Fed. Cir. 1986), cert. den., 482 U.S. 909 (1987); and W.L. Gore Associates, Inc., 220 U.S.P.Q. at 311; nor has the Examiner read the claims as a whole, as required by statute. 35 U.S.C. §103. See also, Smithkline Diagnostics Inc. v. Helena Laboratories Corp., 8 U.S.P.Q. 2d 1468, 1475 (Fed. Cir. 1988); and Interconnect Planning Corp., 227 U.S.P.Q. at 551.

In In re Laskowski, 10 U.S.P.Q. 2d 1397, the Federal Circuit reversed an obviousness rejection of the claims in an application for a bandsaw. The claimed bandsaw used a pulley type wheel loosely fitted with a tire. The primary reference showed a similar bandsaw where the

band was tightly fitted. The Federal Circuit stated that the prior art did not provide a suggestion, reason or motivation to make the modification of the reference proposed by the Commissioner. Id. at 1398. The Court added that “there must be some logical reason apparent from the positive, concrete evidence of record which justifies a combination of primary and secondary references.” Id. quoting In re Regal, 188 U.S.P.Q. 136, 139 (C.C.P.A. 1975), citing In re Stemniski, 170 U.S.P.Q. 343 (C.C.P.A. 1971).

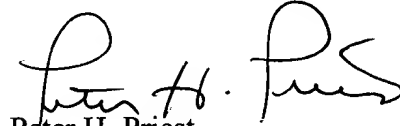
In Uniroyal Inc. v. Rudkin-Wiley Corp., 5 U.S.P.Q. 2d 1434 (Fed. Cir. 1988), cert. den., 102 L.Ed. 2d 51 (1988), the Federal Circuit reversed the District Court’s finding that the claims for a patent for an air flow deflecting shield were obvious. Without any suggestion in the art, the District Court improperly chose features from several prior art references to recreate the claimed invention.

The Examiner’s rejection suggests that the Examiner did not consider and appreciate the claims as a whole. The claims disclose a unique combination with many features and advantages not shown in the art. It appears that the Examiner has oversimplified the claims and then searched the prior art for the constituent parts. Even with the claims as a guide, however, the Examiner did not recreate the claimed invention.

9. Conclusion

The rejection of claims 1, 2, 5-10, 13-18, and 21-24 should be reversed and the application promptly allowed.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Peter H. Priest". The signature is fluid and cursive, with the first name "Peter" and last name "Priest" clearly distinguishable.

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APPENDIX
(Claims Under Appeal)

1. A self-service terminal for allowing customer download of electronic media comprising:
 - a customer information interface for receiving customer information from a customer contact device and a central repository including purchase and usage patterns;
 - a customer input interface including a display for communicating information to a customer describing available options and choices, the customer input interface allowing input from a customer, the customer input interface allowing a customer to select electronic media for purchase;
 - a data acquisition interface for acquiring customer selected electronic media for transfer to the customer;
 - a data transfer interface for transferring customer selected electronic media to the customer contact device; and
 - a processor for receiving the customer information, using the customer information to identify customer preferences, generating customer information displays based on customer preferences and purchase and usage patterns, generating customer selectable options based on the received customer information, receiving customer selections and processing financial transactions and data transfers based on the customer selections.
2. The terminal of claim 1 wherein the data transfer interface includes a download cradle adapted to connect with an electronic book reader to provide a connection for the transfer

of information between the terminal and the electronic book reader.

5. The terminal of claim 2 wherein download cradle is adapted to read customer information from the electronic book reader and wherein the customer information interface includes the download cradle.

6. The terminal of claim 1 wherein the customer information interface further includes a smart card reading and writing device for reading customer information from and writing data to a smart card and

wherein the data transfer interface also includes the smart card reading and writing device, the smart card reading and writing device being adapted to receive data from and transfer data to the terminal.

7. The terminal of claim 6 wherein the processor is adapted to retrieve the customer information and analyze the customer information to determine customer preferences and to use the customer preferences to develop purchase suggestions based on the customer preferences.

8. The terminal of claim 7 wherein the terminal is operative to cryptoprocess data for delivery to the electronic book reader.

9. The terminal of claim 8 wherein the data transfer interface includes a compact disk recorder for recording software on a recordable compact disk.

10. A system for distribution of electronic media comprising:
a distribution terminal adapted to establish contact with a customer using a customer contact device and to transfer the customer selected electronic media to the customer contact device, the distribution terminal adapted to receive customer contact information from the customer contact device;

a terminal support manager for storing customer information including customer

characteristics and preferences and providing the customer information to the distribution terminal for use in developing customer tailored selectable options and suggestions based on customer information and customer contact information; and

a terminal data manager for storing and retrieving electronic media to be distributed to the customer and for transferring customer selected electronic media to the terminal as needed;

wherein the customer selects electronic media for purchase, the distribution station ~~station~~ *terminal* receiving the selected electronic media from the terminal data manager as needed, and the distribution station transferring the customer selected electronic media to the customer contact device.

13. The system of claim 120 wherein the distribution terminal is operative to retrieve customer contact information from the contact device and transmit the customer information to the terminal support manager.

14. The system of claim 13 wherein the distribution terminal is operative to accept customer inputs of customer contact information and transmit the customer information to the terminal support manager.

15. The system of claim 14 wherein the terminal is operative to cryptoprocess media for delivery to the contact devices.

16. The system of claim 15 and also including an advertising server and wherein the terminal support manager is operative to retrieve advertising from the advertising server and to supply the advertising to the terminal, and wherein the terminal is operative to selectively display advertising based on customer information and customer contact information.

17. The system of claim 16 wherein the terminal is operative to connect to a network adapted to provide remote audio and video communication.

18. A method of electronic media distribution, comprising the steps of:
arousing a self service terminal from an idle state upon presentation of a customer contact device;
retrieving customer information from a central repository and the contact device;
generating customer tailored selectable options based on the retrieved customer information;
displaying a choice of electronic media for purchase;
selecting the electronic media for purchase; and
receiving the customer selected electronic media on to the contact device from the self service terminal.

21. The method of claim 18
wherein the step of retrieving the customer information is followed by a further step of retrieving advertising content and
wherein the advertising content and the centrally stored customer information are processed to generate a java applet, and
wherein the step of generating the opening menu of customer selectable options includes providing the locally stored customer information to the java applet as an input.

22. The terminal of claim 1 further comprising:
a loudspeaker and
wherein the customer input interface further comprises a microphone for conferencing the customer with a remote help desk operator.

23. The terminal of claim 22 wherein the customer input interface further comprises a camera for capturing video information of the customer, the data transfer interface transmitting

the video information to the remote help desk operator to create a video conference.

24. The terminal of claim 1 wherein the electronic media comprises an electronic book.